

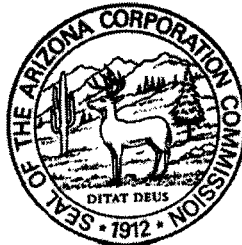
ORIGINAL

NEW APPLICATION



0000122358

ARIZONA CORPORATION COMMISSION



Arizona Corporation Commission
DOCKETED

JAN 6 2011

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| DOCKETED BY | nr |
|-------------|----|

W-01431A-11-0007

FINANCING APPLICATION

The Estate of William F. Randall dba
Valle Verde Water Company

UTILITY NAME

DOCKET NO(S)

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION
PLEASE FORWARD THE ORIGINAL
AND THIRTEEN COPIES OF THE
APPLICATION PLUS
THREE PACKETS OF THE SUPPORTING
DOCUMENTATION TO:

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2011 JAN -6 P 2:38

RECEIVED

**The Estate of William F. Randall dba
Valle Verde Water Company
PO Box 85160
Tucson, Arizona 85754
520-623-5172
Fax 520-792-0377**

December 30, 2010

Arizona Corporation Commission
Docket Control Center
1200 W. Washington
Phoenix, Arizona 85007

As directed in the Opinion & Order in Docket No. W-01431A-09-0360, W-01431A-09-0361, Decision No 71899, Valle Verde Water Company is filing this finance application in accordance with A.R.S. 40-301 and 40-302 to seek approval of the truck loan the company has in place.

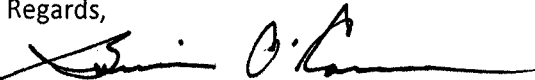
The truck was purchased in an emergency situation to allow the onsite Field Technicians to have a means of travel to perform the daily operations within the water system. All previous vehicles were owned by employees and were reimbursed by the company for mileage, fuel, etc. As employees were dismissed for lack of performance and ability it became imperative to purchase a vehicle on behalf of the company.

The 2006 Chevrolet pickup truck was purchased in February 2008, purchase price \$18,216.00. Interest rate of 7.140%. Balance remaining \$7,085.87 plus finance charges. Monthly declining payments (that include principal and interest) are made in the approximate amount of \$250.00. Payments are made payable to Citizens Automobile Finance, PO BOX 442113, Providence RI 02940-2113. Loan # 2722786833.

As the Interim Manager of Valle Verde Water Company we deemed this vehicle purchase necessary to allow for normal daily operations of the company. We sought the permission from the heirs of the company along with their legal representative's approval. The Estate Lawyer is William Wissler, 3180 E. Grant Road, Tucson, AZ 85716. We believe this purchase was compatible with sound financial practices and compatible with the proper performance by the applicant of service as a public service sole proprietorship and will not impair its ability to perform that service.

Supporting documents have been submitted which include the Profit and Loss Statement, Balance Sheet and Loan document.

Regards,



Bonnie O'Connor, Interim Manager

Cc: Compliance Section, Arizona Corporation Commission

PUBLIC NOTICE
OF
AN APPLICATION FOR AN ORDER

AUTHORIZING THE ISSUANCE OF Debt - Vehicle Purchase (security)
BY Valle Verde Water Company (company)

Valle Verde Water Company ("Company") filed an Application with the Arizona Corporation Commission ("Commission") for an order authorizing Applicant to issue \$18,216 (gross proceeds) of Debt (security to be issued). The application is available for inspection during regular business hours at the office of the Commission in Phoenix, Arizona, and the Company's offices in Tucson, Arizona, at 2102 N. Forbes Blvd., Ste. 107, 85745

Intervention in the Commission's proceedings on the application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15th day after this notice.

8:47 AM
12/30/10
Accrual Basis

Valle Verde Water Company
Balance Sheet
As of December 31, 2010

| | Dec 31, 10 |
|---------------------------------------|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 131200 WQARF/Wells Fargo Bank | 131,965.45 |
| 14-1311 Wells Fargo Bank | 3,733.48 |
| 14-1314 Wells Fargo Surcharge Payment | 630.00 |
| Total Checking/Savings | 136,328.93 |
| Other Current Assets | |
| 14-1411 Acct. Receivables | 90,450.06 |
| Total Other Current Assets | 90,450.06 |
| Total Current Assets | 226,778.99 |
| Fixed Assets | |
| 101100 - Utility Plant In Serv. | |
| 101200 - Intangibles | 125.00 |
| 101300 - Land & Land Rights | 86,093.00 |
| 101400 - Structures & Improv. | 503,314.00 |
| 101500 - Wells & Springs | 613,531.94 |
| 101600 - Pumping Equipment | 305,348.88 |
| 101610 - Water Treatment Equip. | 13,967.00 |
| 101800 - Distribution Res. | 366,500.84 |
| 101900 - Trans. & Dist. Mains | 714,427.66 |
| 102000 - Services | 78,002.24 |
| 102100 - Meters | 98,738.10 |
| 102200 - Hydrants | 35,007.00 |
| 102310 - Office Furniture | 16,552.00 |
| 102400 - Tools | 12,029.00 |
| 102500 - Power Equip. | 44,869.00 |
| 103410 - Transportation Equip. | 73,364.44 |
| 103510 - Other Tangible Plant | 139,746.00 |
| Total 101100 - Utility Plant In Serv. | 3,101,616.10 |
| 103100 - Prop. Held Future Use | 40,935.66 |
| 110300 - Accum. Depreciation | |
| 110400 - Structures/Improv. Dep | -278,646.00 |
| 110410 - Accum Dep. Franchises | -125.00 |
| 110700 - Wells & Springs Dep. | -145,011.00 |
| 111100 - Elec. Pump Equip Dep. | -159,096.00 |
| 112000 - Water Treat. Equip Dep | -7,129.00 |
| 123000 - Dist. Reservoir Dep. | -187,187.00 |
| 123100 - Trans/Dist Mains Dep. | -428,233.00 |
| 123300 - Services Dep. | -52,101.00 |
| 123400 - Meters Dep. | -63,513.00 |
| 123500 - Hydrants Dep. | -26,957.00 |
| 124000 - Office Furn/Fix Dep | -12,024.84 |
| 124100 - Transp. Equip Dep. | -42,580.00 |
| 124300 -Tools & Work Equip. Dep | -3,101.00 |
| 124500-Other Tangible Plant Dep | -55,279.00 |
| Total 110300 - Accum. Depreciation | -1,460,982.84 |
| 304100 - Struct & Improv. YTD | 3,200.00 |
| 311100 - Elec. Pump Equip YTD | 14,809.12 |
| 331100 - Tran & Dist Main YTD | 14,058.70 |
| 333100 - Services YTD | 50.00 |
| 339100 - Other PlantStruct YTD | 11.98 |
| 343100 - Tools/Work Equip YTD | 34.26 |
| Total Fixed Assets | 1,713,732.98 |
| TOTAL ASSETS | 1,940,511.97 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |

Valle Verde Water Company
Balance Sheet
As of December 31, 2010

| | Dec 31, 10 |
|-----------------------------------------|--------------|
| 231100 - Acct. Payable | 252,167.70 |
| Total Accounts Payable | 252,167.70 |
| Other Current Liabilities | |
| 204000 - Payroll Liabilities | |
| 204100 - Company - SS | 758.04 |
| 204110 - Employee -SS | 758.04 |
| 205100 - Company -Med. | 177.26 |
| 205110 - Employee - Med. | 177.22 |
| 206100 - Federal Withholding | 449.04 |
| 207100 - State Withholding | 1,749.12 |
| 207110 - SUTA- DES | -0.11 |
| 207120 - FUTA | 168.00 |
| 207200 - Child Support | 70.00 |
| Total 204000 - Payroll Liabilities | 4,306.61 |
| 223100 - SUM Short Term Debt | 18,642.50 |
| 224100 - Citizens 2006 Chev | 7,085.87 |
| 232300-NotePaySouthwesternUtil. | 2,000.00 |
| 236100 - Accrued Sales Tax | -484.50 |
| 252100 -A.I.C. Line Extension's | |
| 252200-Pena Blanca Las Minas | 1,062,695.00 |
| 252300-Pena Blanca Ruby Heights | 86,380.00 |
| 252400-North Water Plant | 368,154.94 |
| 252500- Santa Cruz County | 1,500.00 |
| 252100 -A.I.C. Line Extension's - Other | -38,895.08 |
| Total 252100 -A.I.C. Line Extension's | 1,479,834.86 |
| 271100 - C.I.A.C. | |
| 271200 - WQARF Grant Funding | 607,500.00 |
| 271300 - HB 2521 Grant Funding | 147,418.91 |
| 271400 - HB2521 Pete's Kitchen | 188,319.32 |
| 271500 -HB2521-4" line replaced | 16,635.00 |
| 271100 - C.I.A.C. - Other | 8,603.93 |
| Total 271100 - C.I.A.C. | 968,477.16 |
| 272100 - Accum. Amort. of CIAC | -70,826.00 |
| 14-2341 - Meter Deposits | 2,302.94 |
| 14-2351 - Security Deposits | 23,908.92 |
| 14-2353 - Unclaimed Sec Dep | 488.82 |
| 14-2361 - Accrued Sales Tax | 5,948.38 |
| Total Other Current Liabilities | 2,441,685.56 |
| Total Current Liabilities | 2,693,853.26 |
| Total Liabilities | 2,693,853.26 |
| Equity | |
| 218900 - Retained Earnings | -718,830.73 |
| Net Income | -34,510.56 |
| Total Equity | -753,341.29 |
| TOTAL LIABILITIES & EQUITY | 1,940,511.97 |

8:47 AM
12/30/10
Accrual Basis

Valle Verde Water Company
Profit & Loss
January through December 2010

| | Jan - Dec 10 |
|-----------------------------------------|--------------|
| Income | |
| 471100 - Other Operating Rev. | |
| 4711200- WIFA T/A Grant Funding | 26,069.39 |
| 471100 - Other Operating Rev. - Other | 800.00 |
| Total 471100 - Other Operating Rev. | 26,869.39 |
| 14-4211 - Other Income | |
| 14-4212 - Sales Tax Credit | 61.14 |
| 14-4213 - Returned Ck Fees | 150.00 |
| 14-4214 - Merchant Fees Collected | 2,005.82 |
| 14-4211 - Other Income - Other | -3,465.00 |
| Total 14-4211 - Other Income | -1,248.04 |
| 14-4231 - Late Payment Fees | 2,122.97 |
| 14-4601 - Other Water Sales | -10.00 |
| 14-4611 - Metered Water Sales | 401,790.35 |
| 14-4621 - Estab Fee Income | 3,700.00 |
| Total Income | 433,224.67 |
| Gross Profit | 433,224.67 |
| Expense | |
| 408.11 - Property Tax Exp. | 17,676.16 |
| 501000 - Payroll Expenses | |
| 504100 - Company - FICA Exp. | 6,937.03 |
| 505100 - SUTA - DES Exp. | 1,239.00 |
| 506100 - State Fund Workers Com | 3,521.79 |
| 507100 - FUTA Exp. | 168.00 |
| 601100 - Gross Wages | 90,680.01 |
| 501000 - Payroll Expenses - Other | -4,387.50 |
| Total 501000 - Payroll Expenses | 98,158.33 |
| 610000 - Sales Tax Expense | 0.00 |
| 615100 - Purchased Power | 3,670.28 |
| 619100 - Water Treatment | 35,506.84 |
| 620100 - Repairs & Maintenance | 6,014.82 |
| 621100 - Office Supplies & Exp. | |
| 621200 - Bank Charges | 918.23 |
| 621200 - Bank Charges | 3,743.08 |
| 621100 - Office Supplies & Exp. - Other | 2,358.03 |
| Total 621100 - Office Supplies & Exp. | 7,019.34 |
| 621300 - Office Postage | 3,938.58 |
| 621400 - Office Telephone | 5,891.54 |
| 621500 - Electric | 38,443.24 |
| 62160 - Garbage Pickup | 1,188.00 |
| 62170 - Office Gas | 1,672.09 |
| 621900 - Uniforms | 2,522.82 |
| 622100 - Water Permits, Etc. | 1,093.49 |
| 625100 - Management Fees Exp. | 117,911.25 |
| 630100 - Outside Services | |
| 630300 - Leak Repair | 700.00 |
| 630400 - Legal Services | 2,597.13 |
| 630400 - Accting. CPA | 1,800.00 |
| 630100 - Outside Services - Other | 615.00 |
| Total 630100 - Outside Services | 5,712.13 |
| 631100 - Rate Case Exp. | |
| 631200 - Desert Mtn. Analytical | 1,000.00 |
| 631300 - Moyes Sellers & Sims | 18,476.91 |
| 631100 - Rate Case Exp. - Other | 13,269.26 |
| Total 631100 - Rate Case Exp. | 32,746.17 |
| 635000 - Water Testing | 20,268.54 |
| 650100 - Transportation Exp | |
| 650300 - Truck Lease | 158.91 |

8:47 AM
12/30/10
Accrual Basis

Valle Verde Water Company
Profit & Loss
January through December 2010

| | <u>Jan - Dec 10</u> |
|-----------------------------------------|--------------------------|
| 650400 - Gas Expense | 5,284.47 |
| 650500 - Repairs | 3,272.81 |
| 650100 - Transportation Exp - Other | 77.76 |
| Total 650100 - Transportation Exp | <u>8,793.95</u> |
| 657000 - Insurance | |
| 657100- General Liability Ins. | 9,128.72 |
| 657200 - Office Insurance | 525.00 |
| 657300- Auto Insurance | 2,321.39 |
| Total 657000 - Insurance | <u>11,975.11</u> |
| 675100 - Misc. Expense | 18.65 |
| 675200 - Materials & Supplies | 176.73 |
| Payroll Expenses | 83.70 |
| 14-4271 - Interest Exp. | |
| 14-4272 - SD Intrest | 1,131.61 |
| 14-4271 - Interest Exp. - Other | 624.63 |
| Total 14-4271 - Interest Exp. | <u>1,756.24</u> |
| 14-6201 - Repairs & Maintenance | |
| 620200 - HB2521 meters&lines | 648.50 |
| 620201-HB2521 Petes Kitchen | -1,453.11 |
| 620202 -HB2521-Well 2 line ext | 8,050.16 |
| 620203-HB2521 # 4 | 6,588.75 |
| 14-6201 - Repairs & Maintenance - Other | 30,848.18 |
| Total 14-6201 - Repairs & Maintenance | <u>44,682.48</u> |
| 14-6218 - Office Water | 814.75 |
| Total Expense | <u>467,735.23</u> |
| Net Income | <u><u>-34,510.56</u></u> |

STOCK NO.

89020

**MOTOR VEHICLE RETAIL INSTALLMENT
SALES CONTRACT AND
PURCHASE MONEY SECURITY AGREEMENT**

Buyer(s)/Debtor(s): VALLE VERDE WATER CO.
BONNIE O'CONNOR
PO BOX 85160
TUCSON AZ 85754

Seller/Creditor: WATSON CHEVROLET INC
625 W AUTO MALL DR
TUCSON AZ 85705

This is an agreement for the installment purchase by you of the Vehicle described below. As used in this Contract, the words "you" and "your" mean the Buyer or Buyers who sign below. The words "we", "us", "our" and "Seller" refer to the Seller whose name and address appear above or to anyone to whom this Contract is assigned (referred to as the "Assignee"). If the Assignee notifies you that it has purchased this Contract, you agree to make all of your payments to the Assignee. This sale is subject to approval of your credit by us and acceptance of this Contract by an Assignee. **BY SIGNING BELOW, YOU ALSO AGREE TO ALL OF THE TERMS ON BOTH SIDES OF THIS CONTRACT. PLEASE READ THE BACK CAREFULLY.**

The Vehicle which you are purchasing is a:

| NEW OR USED | YEAR MODEL | MAKE TRADE NAME | NO. CYL. | BODY TYPE | MODEL # OR SERIES | VEHICLE I.D.# |
|-------------|----------------|-----------------|----------|--------------|-------------------|-------------------|
| USED | 2006 C1500 REG | CHEVROLET TRUCK | | C1500 REG BS | | 3GCEC14X96G268768 |

You intend to use the Vehicle primarily for: ☒ personal, family, or household purposes ("personal use") ☐ commercial, business, agricultural, or other non-personal uses ("commercial use").

| | | | | | |
|-------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|-----------------------------------------------------------------|
| ANNUAL PERCENTAGE RATE | THE COST OF YOUR CREDIT AS A YEARLY RATE. | Number of Payments <u>N/A</u> Amount of Payments <u>N/A</u> Your payment schedule will be: When Payments are Due: <u>N/A</u> <u>60</u> <u>303.60</u> Monthly, Beginning <u>04/10/2008</u> <u>N/A</u> <u>N/A</u> <u>N/A</u> | | | |
| FINANCE CHARGE | THE DOLLAR AMOUNT THE CREDIT WILL COST YOU. | Insurance: CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT, AND WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL COST. | | | |
| Amount Financed | The amount of credit provided to you or on your behalf. | Type | Term | Premium | Signature |
| \$ 15238.19 | | Credit Life Insurance | <u>N/A</u> mos. | \$ <u>N/A</u> | I want credit life insurance only _____ |
| | | Disability Insurance | <u>N/A</u> mos. | \$ <u>N/A</u> | I want disability insurance only _____ |
| Total of Payments | The amount you will have paid after you have made all payments as scheduled. | Credit Life and Disability | <u>N/A</u> mos. | \$ <u>N/A</u> | I want credit life and disability insurance _____ |
| \$ 18216.00 | | Joint Credit Life Insurance | <u>N/A</u> mos. | \$ <u>N/A</u> | We want joint credit life insurance _____ |
| | | Joint Credit Life and Single Disability Insurance | <u>N/A</u> mos. | \$ <u>N/A</u> | We want joint credit life and single disability insurance _____ |
| Total Sale Price | The total cost of your purchase on credit including your down payment of \$ <u>0.00</u> | Security: You are giving a security interest in the Vehicle being purchased. Late Charge: If the Vehicle is purchased for personal use, and a payment is not paid in full within 10 days after it is due, you will pay a late charge of the lesser of \$10.00 or 5% of the unpaid balance of the installment. Prepayment: If you pay off early, you will not have to pay a penalty. See the other portions of this Contract for additional information about non-payment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties. | | | |
| \$ 18216.00 | | | | | |

e means an estimate

ITEMIZATION OF AMOUNT FINANCED

- Cash Price (incl. accessories) \$ 13709.00 + Sales Tax \$ 1110.43 +
 Net Trade-In Deficiency (item 5 if negative) \$ N/A to N/A = Total Cash Price..... \$ 14819.43 (1)
- Other charges included in this sale:
 ** (a) Vehicle Service Contract (Term) N/A to N/A \$ N/A
 (b) Dealer Documentary Fee \$ 299.00
 ** (c) Other (describe) N/A to N/A \$ N/A
 ** (d) Other (describe) N/A to N/A \$ N/A
 ** (e) Other (describe) N/A to N/A \$ N/A
 ** (f) Other (describe) N/A to N/A \$ N/A
 Total \$ 299.00 (2)
- Payments made on your behalf to Public Officials for Official Fees \$ 119.76 (3)
- Cash Sale Price (sum of items 1, 2 and 3) \$ 15238.19 (4)
- Trade-in N/A \$ N/A - \$ N/A = \$ N/A (5)
 Yr. Make & Model Gross Allowance Payoff Net Trade-In (Deficiency)
- Total Down Payment includes:
 (a) Net Trade-In (item 5) (if negative, insert \$0) \$ N/A
 (b) Cash Down Payment (Includes manufacturer's rebate of \$ N/A assigned to Seller) \$ N/A
 Total Down Payment (a + b) \$ 0.00 (6)
- Unpaid balance of Cash Sale Price (item 4 less item 6) \$ 15238.19 (7)
- Payments made to others on your behalf:
 ** (a) Amounts paid to Insurance Companies for Insurance Premiums:
 (1) Credit Insurance Premiums \$ + (2) Property Insurance Premiums \$
 Total \$ N/A (8a)

** (2) To: N/A for: N/A N/A (8c)
** (3) To: N/A for: N/A N/A (8d)
Total Amount Paid to Others (Sum of items 8(a) 8(d)) \$ N/A (8)

** Seller may be retaining a portion of this amount

9. Amount Financed - Amount of credit you will get (item 7 plus item 8) \$ 15238.19 (9)

10. If the "Amount Financed" exceeds \$25,000 or if the Vehicle is purchased primarily for commercial use, the "Amount Financed" is also the "Final Cash Price Balance" and the "Total of Payments" is also the "Time Balance."

11. **Property Insurance:** You promise to keep the Vehicle insured for its full value against loss or damage with loss payable endorsement in our favor during the time any amount is unpaid under this Contract. YOU MAY OBTAIN YOUR REQUIRED INSURANCE FROM ANY COMPANY ACCEPTABLE TO US. If you purchase your insurance through Seller, the costs and items of coverage are as follows:

Collision (actual cash value of loss less \$ N/A deductible) and Comprehensive TERM N/A months PREMIUM N/A
including fire and theft (cash value of loss less \$ N/A deductible) N/A months \$ N/A
Other (describe) N/A

If you buy insurance through your own agent, the cost is not included in this Contract. Please give us the name and telephone number of the agent you choose:

Agent's Name BILL SPREAGUE Telephone Number
Agent's Address City TUCSON State AZ

Promise to Pay: By signing below, you promise to pay us the Amount Financed, together with finance charges calculated thereon at the Annual Percentage Rate. You agree to make your payments to us set forth in the Payment Schedule shown above. Your final payment may change, depending upon your payment habits. We will apply each payment first to accrued finance charges and late charges and then to reduce your unpaid balance. This means your finance charge will be less when you pay early and more if you pay late. Any necessary adjustments in your total finance charge will be reflected in your final payment. If a payment is not paid in full within 10 days after it is due, you will also pay a late charge. If the Vehicle is purchased for commercial use, the late charge will be 5% of the unpaid balance of the installment; if the Vehicle is purchased for personal use, the late charge will be the lesser of \$10.00 or 5% of the unpaid balance of the installment.

Security Interest: To protect us if you do not pay as promised, or if you break some other promise of this Contract, you give us a purchase money security interest in the Vehicle, all accessions thereto, and in any proceeds of the Vehicle. If the Vehicle is purchased for commercial use, this security interest also covers all equipment, accessories, and parts (other than accessions) added to the Vehicle. If the Vehicle is purchased for personal use, this security interest also covers equipment, accessories, and parts (other than accessions) added to the Vehicle within 10 days of the date of this Contract. You also give us a security interest in the proceeds of any physical damage insurance policy on the Vehicle; all insurance, maintenance, service, or other contracts we finance for you; and all proceeds from insurance, maintenance, service, or other contracts we finance for you, including any refunds of premiums or charges from the contracts. This security interest does not cover any other debts you owe us, and this debt is not covered by any other security interest held by us. **NOTICE: BY GIVING US A SECURITY INTEREST IN THE VEHICLE DESCRIBED ABOVE, YOU WAIVE ALL RIGHTS PROVIDED BY LAW TO CLAIM THE VEHICLE EXEMPT FROM LEGAL PROCESS.**

LIMITATIONS/EXCLUSIONS OF PRODUCT WARRANTIES

(a) For "new" vehicles: (1) If the Vehicle is purchased for personal use, Seller makes no implied warranty of merchantability or of fitness for any particular purpose unless Seller also gives you a written warranty, on its own behalf, with respect to the Vehicle, or, at the time of the sale or within 90 days thereafter, Seller enters into a service contract, on its own behalf, with you which applies to the Vehicle. In that event, any implied warranties arising from the sale of the Vehicle shall be limited to the duration of a Seller's written warranty or service contract; (2) If the Vehicle is purchased for commercial use, Seller makes no implied warranty of merchantability or of fitness for any particular purpose. The Vehicle is sold to you AS IS, except for any express warranties made by Seller, on its own behalf, or by the manufacturer of the Vehicle or of any component parts; (3) In all cases, Seller shall not be liable for any consequential damages arising from any breach of any warranty, express or implied.

(b) For "used" vehicles:

(1) Used Car Implied Warranty of Merchantability:

The Seller hereby warrants that the vehicle will be fit for the ordinary purposes for which the vehicle is used for 15 days or 500 miles after delivery, whichever is earlier, except with regard to particular defects disclosed on the first page of this agreement. You (the Purchaser) will have to pay up to \$25.00 for each of the first two repairs if the warranty is violated.

(2) Waiver of Used Car Implied Warranty of Merchantability:

ATTENTION PURCHASER: Sign here only if the dealer told you that this vehicle has the following problem(s) and that you agree to buy the vehicle on those terms:

ATENCION COMPRADOR: Firme aqui solamente si el vendedor le dijo que el vehículo tiene el siguiente problema(s) y que usted conviene de compra el vehículo bajo estos términos:

1. N/A Buyer/Comprador Date 02/25/2008
2. N/A Buyer/Comprador Date 02/25/2008
3. N/A

(3) The vehicle is sold "AS IS -- NOT EXPRESSLY WARRANTED OR GUARANTEED" unless Seller gives you a separate written instrument showing the terms of any warranty or service contract given by Seller on its own behalf. If the Vehicle is purchased for personal use, Seller makes no implied warranty of fitness for any particular purpose, and the implied warranty of merchantability is limited to 15 days or 500 miles after delivery, whichever is earlier, as set forth above, unless Seller also gives you a written warranty, on its own behalf, with respect to the Vehicle, or, at the time of the sale or within 90 days thereafter, Seller enters into a service contract, on its own behalf, with you which applies to the Vehicle. In that event, any implied warranties arising from the sale of the Vehicle shall be limited to the duration of Seller's written warranty or service contract. If the Vehicle is purchased for commercial use, Seller makes no implied warranty of fitness for any particular purpose, and the implied warranty of merchantability is limited to 15 days or 500 miles after delivery, whichever is earlier. In all cases, Seller shall not be liable for any consequential damages arising from any breach of any warranty, express or implied, except for a breach of the implied warranty of merchantability.

NOTICE TO BUYER: 1. Do not sign this Contract before you read it or if it contains any blank spaces. 2. You are entitled to an exact copy of the Contract you sign.

Annual Percentage Rate (APR) for the installment sale of an automobile may be negotiated with the dealership; and the dealership may receive some portion of the finance charge or receive other compensation for providing the financing.

LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED IN THIS CONTRACT, UNLESS DESCRIBED IN ITEM 11 AND AN APPROPRIATE PREMIUM CHARGE IS SHOWN IN ITEM 8(A) ABOVE.

SELLER IS REGULATED AND COMPLAINTS CONCERNING THIS CONTRACT MAY BE ADDRESSED TO:

ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS
2910 N. 44th STREET, SUITE 310
PHOENIX, ARIZONA 85018
TELEPHONE: (602) 255-4421

Buyer(s) Acknowledge(s) receipt of a fully completed copy of this Contract

*BUYER [Signature]
*BUYER [Signature]

Dated this 25th day of FEBRUARY, 20 08 By Its

*OTHER OWNERS: If a person shown on the certificate of title as an owner of the vehicle does not want to be separately liable to pay this debt, please sign below to give us a security interest in the Vehicle, its proceeds, and physical damage insurance policy and any refunds of insurance premiums.

SIGNATURE

DATE

SIGNATURE

DATE

THE TRANSACTION WHICH IS THE SUBJECT OF THIS CONTRACT ☐ IS OR ☐ IS NOT SUBJECT TO A FEE RECEIVED BY A BROKER FROM THE SELLING MOTOR VEHICLE DEALER. IF APPLICABLE, THE NAME OF THE BROKER IS:

ASSIGNMENT

333 W Wilcox Dr. Ste 302 Sierra Vista, AZ 85635
520-375-5760 FAX 520-761-3115
legals@nogalesinternational.com

VALLE VERDE WATER

ADVERTISING INVOICE

BILLED ACCOUNT NAME AND ADDRESS

SOUTHWESTERN UTILITY
C/O VALLE VERDE WATER
P.O. BOX 85160
TUCSON, AZ 85160

PAGE # & BILLING DATE

1/5/11

BILLED ACCOUNT NUMBER

Payment terms are net 15. A service charge of 1.75% per month (minimum of \$3.00) will be charged if the balance is not received by the 25th of each billing period.

Signature

Card Expires

PLEASE DETACH AND RETURN UPPER PORTION WITH YOUR REMITTANCE

| DATE | NEWSPAPER REFERENCE | DESCRIPTION OF CHARGES | BILLED SIZE | RATE | NET AMOUNT |
|----------|------------------------|------------------------|-------------|------|---------------|
| 1/7/2011 | | DISPLAY | 3 X 5 | | 174.00 |
| | | AFFIDAVIT FEE | | | 5.00 |
| | | SALES TAX | | | 3.40 |

AMOUNT DUE

182.48

NOGALES INTERNATIONAL/ THE BULLETIN

333 W WILCOX DRIVE SUITE 302 SIERRA VISTA, AZ 85635 520-375-5760/ FAX 520-761-3115

INVOICE NUMBER

BILLED ACCOUNT NUMBER

ADVERTISER NUMBER

ADVERTISER CLIENT NAME

01

VALLE VERDE WATER